SCOPING AND INFORMATIONAL MEETING

HALLOCK - AUGUST 11, 2015 - 11:00 A.M.

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

AND DEPARTMENT OF COMMERCE

In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need and a Pipeline Routing Permit for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border

MPUC DOCKET NOs. PL-9/CN-14-916
PL-9/PPL-15-137

Hallock City Hall
163 3rd Street SE
Hallock, Minnesota

August 11, 2015

I N D E X - HALLOCK - 11:00 A.M.

MS. TRACY SMETANA: Good morning, everyone, and thank you for coming out.

My name is Tracy Smetana, I'm the public advisor with the Minnesota Public Utilities Commission, and we're here for the public information meeting for the Enbridge Line 3 Replacement Project. And you can see on this cover slide I have what we call our docket numbers, and those are sort of the keys to finding information with our office. That's how we track everything, is by that docket number.

So the purpose of today's meeting is to explain the Commission's review process. To provide some information about the proposed project. To gather information for the environmental review. And to answer some -- and to answer -- whoa, there we are. And to answer general questions about the process and the project. Now I feel like I have to whisper.

So those of you that saw the notice that we published, you'll see we have this agenda and so we're going to try and stick to that. We do have some formal presentations from the Commission, from me, also from Enbridge and the Department of Commerce. We're going to try and keep those to

about a half an hour so that we can allow plenty of opportunity for folks to share their comments and ask their questions. We do need to adjourn by 2:00 so we can move on to our next destination.

So the Public Utilities Commission is a state agency. We have five commissioners that are appointed by the governor, about 50 staff, and we regulate various aspects of utility services including permitting for pipelines.

Now, in this particular case the company is required to get what we call a certificate of need from the Public Utilities Commission because the statutes and rules call the project they're proposing a large energy facility. And I've included on here the statutes and rules that apply to that in case you're looking for some really interesting bedtime reading.

In this case, the company also must have a route permit before they can build the project. Again, the statutes and rules are listed there that apply to that piece of the puzzle.

As we work through this process at the Public Utilities Commission there's a variety of different folks that you may encounter so, I just want to give UA little bit of who's who.

The applicant is what we call the company asking for the certificate of need and the route permit. So in this case it's Enbridge.

We also have two different branches of the Department of Commerce, another state agency that participate in the process.

First we have the Energy Environmental Review and Analysis, and as you might guess by their title, their job is to conduct the environmental review and they'll be talking a little bit more about that with you in a moment.

The other side of the Department of Commerce that participates in the process is Energy Regulation and Planning. And their job is to represent the public interest pretty much for anything that happens related to utilities before the Public Utilities Commission, and in this particular process they'll be participating in the certificate of need side.

Later on in the process we will have an administrative law judge from the Office of Administrative Hearings come out and hold public hearings to gather additional input from citizens. They are another state agency, they are completely separate from the Commission and completely separate

from the Department of Commerce. And ultimately they'll review and summarize all the facts in the record and write a report for the Public Utilities Commission.

At the Commission, there's two different staff members that you may encounter as well. The first is the energy facilities planner. That person handles more of the technical aspects, working through the record, making sure that things are following the process as required by the statute and rules and so on.

The other is the public advisor, that's me. My job is to talk to people. Help you figure out what happens next, how things work, when you can get involved, how to get involved, how to submit comments and so forth.

In both cases Commission staff members are neutral. We're not for one party or for another, we don't advocate on anyone's behalf, we don't give legal advice, we're sort of an information station.

So how in the world does the Public Utilities Commission decide on these questions of a certificate of need and the route permit? So I've listed here the factors that come from statute and

rule related to the certificate of need. I'm not going to read through them, you have them in your handout, you can see them on the screen. You can see there's a number of things, it's not just a random, hey, we feel like this sounds like a great idea, there's a specific set of criteria the Commission has to consider.

And the same is true with the route permit. And so, again, I'm not going to read through the list, you can see it on the screen and on your handout. But one thing I do want to point out is, particularly on this list for the route permit, there's a list of a variety of issues that the Commission has to consider. And what the statutes and rules do not do is rank them or prioritize them. So, you know, it's not going to say, oh, goodness, no matter what, human settlement is the most important issue to consider when determining where this route should go. You know, the economy is not the most important thing. So the Commission's task is to sort of balance all of those issues and come up with the best possible route if indeed a route permit is granted.

So here's a little chart that shows you sort of what happens next. And it's at a high

level, there clearly is a lot of things that happen in between these little boxes on the chart, but just to give you an idea of some of the steps that we go through in making these decisions. So up at the top here you can see it says application accepted. And that's a little confusing. It doesn't mean, yep, it's good to go, certificate of need granted. All it means is the company submitted all the information necessary to process the application and move on to the next step.

So that next step is where we're at right now, public information meetings. And then we're going to do an environmental analysis, move on to the public hearings. Also what's called an evidentiary hearing, sort of like a court proceeding where people are sworn in and they provide evidence and get cross-examined and all that good stuff. As I mentioned before, that administrative law judge is going to write a report and submit that to the Public Utilities Commission for consideration and that's going to summarize all the details and all the facts of what's happened, including a recommendation from the judge, and then ultimately the Commission will make the decision.

Generally, the time frame between

application accepted to the decision point is about 12 months. And that can vary a little bit depending on the complexity of the project.

You also can see that there are a number of opportunities along the way for people to get involved. So it's not all just the lawyers and Commissioners talking about things, it's, you know, these little boxes represent opportunities for folks to participate as well.

And this chart looks somewhat similar. This is the route permit process. So these are two separate processes that'll sort of be going on at the same time. And so you can see it's a quite similar process. In this case, application accepted to the final decision should be about nine months. Again, that could vary a little bit depending on the complexity of the project.

Now, if you're a list person instead of a visual type person, you'll probably like this slide better. It kind of goes through those same steps that we just talked about and gives you our best guess at an estimate for a timeline. And keep in mind, we're really early on in the process right now and so these dates are likely to change.

So our estimate right now is we're at the

stage of public information meetings here in August of 2015. We expect that the Commission would make a decision on the certificate of need by June of 2016.

And then a similar chart for the route permit. Again, we're at the public information meeting stage here in August of 2015. You know, if things follow the list as we have here, we would expect a Commission decision on the route permit by August of 2016. But, again, don't mark your calendars based on these dates, they are estimated.

So as I mentioned, there are a number of ways for folks to get involved and share their thoughts, ask their questions and so on as part of this process. And so quite often when the Commission is looking for your help and is seeking comments on various topics we will issue a notice. It could be like the one you received about today's meeting or it could be this one that was issued back in April.

So a couple things that you want to make note of if you happen to see one of these published in the newspaper, you receive one in the mall or what have you. First off, again, here, the docket number, okay. So that's the key to everything at the Commission, everything is filed under the docket

number.

We also identify a comment period. So we're not just going to take comments on this topic forever and ever and ever, we need it by a certain deadline so we can move on to the next step in the process. You can see back in April we were looking for comments by May 19th. So if someone sends us a comment related to this issue now, it's really not going to help us because we've already moved on.

And then the final piece here is we list the topics open for comments. So at this stage of the process we were looking for does the application contain the right information. Well, the Commission's already made a decision on that, so if you tell us something about that now, it's not really very helpful because we've already made a decision and moved on.

So keys to sending comments. And this would be whether you're speaking your comments today or if you're sending in comments in writing at some point in the future. You want to include the docket number. In this case there are two of them. The first one, that 14-916 is for the certificate of need and the 15-137 is for the route.

It's most helpful if you stick to the

topics listed. Those are the things that we're looking at making decisions about at that stage of the game so it's most helpful to stick to those.

You don't need to submit your comments more than once. Once they're in the record, they're in the record. If you send them in four times, we still have them. Verbal and written comments carry the same weight. You don't get extra credit for public speaking, I mean, it's wonderful if you want to do that, but if you submit them in writing that carries the same weight for us.

The Commission's decision is based on the facts in the record, it's not based on, you know, how many people think it's a good idea or how many people think it's a bad idea. It's based on the facts that are submitted.

Comments are public information. So if you send them in writing or if you speak them, they will be included in the record and they are considered public information. So you just want to be careful not to, you know, write down information that you wouldn't want posted on the Internet. And they must be received before the deadline. So as I showed you on the previous slide, every notice that we publish will have information about a deadline.

And so if you want them to be considered just like you would for, say, a school assignment, you want to have it in on time.

Now, if you're looking to get more information and stay involved with the project, there's several ways to do that. We have what's called an eDocket system where you can see all documents related to the project. It's on our website. I won't read through the steps, but they're listed there.

We also have a project mailing list where you can sign up to receive information either by U.S. mail or by e-mail regarding project milestones, opportunities to participate. We have an orange card at the table when you came in, you can complete that and return it to the table. Or if you forget today and you decide later you'd like to do that, you can contact our office to sign up for that list.

We also have an e-mail subscription list where you can receive an e-mail notification every time something new gets added to the record. Now, for some folks this is way too much e-mail so it might not be for you. But if you think, hmm, I really don't want to miss anything, this might be the way to go. And you can just self-subscribe and

you can self-unsubscribe if you change your mind about it later. And there are the instructions to do that. And this is just a picture of what it looks like when you go to that subscription service. People will say it's not super user-friendly so I always like to show you, this is what it's supposed to look like when you get there.

And as I mentioned, at the Public Utilities Commission there are two different project contacts. Again, I'm Tracy, I'm the public advisor. And my counterpart, the energy facilities planner for this case is Mr. Scott Ek. And either one of us will be happy to answer any questions you might have.

And, with that, I will turn it over to Enbridge. Thank you.

MR. MITCH REPKA: Thank you.

Good morning. My name is Mitch Repka, I'm the manager of pipeline and engineering for the U.S. portion of the Line 3 Replacement Project.

I wanted to start today by thanking the Minnesota Public Utilities Commission as well as the Department of Commerce for inviting Enbridge to speak today regarding the project. It's an opportunity for us to share additional facts

regarding the project with those in attendance here, as well as answer any questions and listen to any comments or feedback you may have.

I'd like to start today with a safety moment, which is an Enbridge tradition, as we have -- as we begin meetings, we take a moment to reflect upon a safety opportunity. And so today, if you're not aware, is August 11th, it's National 811 Day. So it's a nationwide program developed to raise awareness and reduce frequency of third-party strikes, line strikes of various underground utilities. So in remembrance of that, there's a couple key messages, and that's to call before you dig, allow adequate time for the locators to respond to your request and accurately mark the facilities. And then as you're conducting excavation activity, of course, honor the marks and dig safely around those facilities. So that's a safety moment for today.

As for the presentation, today we'll discuss a number of topics. I'll give a brief overview of who Enbridge is and the history of Line 3. We'll talk about more project-specific details regarding the overall replacement project. And then we'll finish up with benefits as a result

of the project.

So who is Enbridge? Enbridge owns and operates the world's longest liquids transportation pipeline system. It delivers approximately 2.2 million barrels of crude oil a day and satisfies approximately 70 percent of the market demands of the refineries here in the Great Lakes region.

As you can see on the map, Enbridge has a number of facilities and assets across the U.S. and Canada. The gold lines are the liquid lines that I had mentioned earlier and the blue lines are natural gas joint venture projects that we have. The company also has a growing interest in renewable energy resources. So we've got wind, solar, and geothermal assets, also, across North America.

Enbridge operates under three core values: Safety, integrity and respect. And each of those three values are interwoven within our daily operations, whether it be in the planning, the designing, construction, or long-term operation and maintenance of our facilities. And it's important to local landowners and community members that safety is a top priority. And here at Enbridge we take that responsibility very seriously and we're committed to providing safe, reliable operations

across our system as well as here in Minnesota.

As for the history of Line 3. The original Line 3 was constructed in the 1960s and was placed in service in 1968. It spans from Edmonton, Alberta to Superior, Wisconsin and it's approximately 1,100 miles in length. It's an integral part of the Enbridge mainline system and plays a key role in delivery of crude to Minnesota, Wisconsin, and other Midwest locations, as well as North American refineries.

As for the replacement program, Enbridge is proposing to replace the existing Line 3 with a new 36-inch diameter pipeline from Hardisty, Alberta to Superior, Wisconsin. The line is approximately 1,031 miles in length.

Currently we're seeking approvals in both Canada and the U.S. for the replacement project. And the overall investment as part of the project is estimated at $7.5 billion, which makes it one of North America's largest infrastructure projects. 2.6 billion of that total amount relates to the U.S. portion of the project.

As for the U.S. portion, again, Enbridge is proposing a replacement project and it's driven by integrity and maintenance needs of the existing

line. And so as a result of the replacement, the existing Line 3 will be permanently deactivated. And this will result in reduced landowner environmental impacts, as future maintenance and activity needs are lessened along the existing corridor in order to maintain the existing Line 3.

The project in the U.S. consists of 364 miles, 13 of which are in North Dakota, 337 are here in Minnesota, and 14 miles are in Wisconsin.

We have filed a certificate of need and a pipeline routing permit on April 24th of 2015 and we are expecting, once regulatory approvals are achieved, to start construction in 2016 and carry through 2017.

As for the Minnesota portion of the project, the preferred route is shown in purple. You can't see the purple line real well south of Clearbrook, but it is in there, along with our Sandpiper line shown in red.

Some key components of the project are that it must enter Minnesota here in Kittson County in order for it to be tied into the North Dakota portion of the project, and also must exit Minnesota and Carlton County to allow it to be tied into the Wisconsin portion of the project. The pipeline also

must be routed through Clearbrook to allow delivery into the Minnesota Pipe Line system at our existing terminal facilities there. Again, it's a 36-inch diameter line, it's designed to carry 760,000 barrels per day.

The yellow boxes located along the route are proposed pump stations. There are four pump stations north and west of Clearbrook at existing sites at Donaldson, Viking, Plummer, and Clearbrook, and then four new greenfield locations south and east of Clearbrook near Two Inlets, Backus, Palisade and Cromwell.

There are 27 mainline valves strategically located throughout the corridor. And overall land requirements, our design includes a 120-foot work space during construction with a 50-foot permanent easement to allow for maintenance of the facility. In locations over adjacent to existing Enbridge pipelines, 25 feet of permanent easement will be acquired and 25 feet will be shared with the adjacent Alberta Clipper line north and west of Clearbrook. So 98 percent of the route is adjacent to existing utility corridors north and west of Clearbrook and 75 percent of the route is adjacent to utility corridors south and east of

Clearbrook. The overall investment here in Minnesota is estimated to be $2.1 billion.

As for the benefits of the project. As mentioned earlier, this is a replacement project and so once the new line is operational there will be significantly reduced need for long-term maintenance activities on the existing Line 3. So landowners and the environment will benefit due to less impact along the existing corridor.

Also, the project is intended to restore the historical operating capabilities of Line 3. So in doing that, it'll also provide an opportunity to reduce apportionment to our existing customers that they're seeing today.

As for jobs, we anticipate 1,500 construction jobs will be created as a result of the project, 50 percent of which will come from the local union halls here in Minnesota. On a long-term basis we anticipate a number of jobs will be created internal to Enbridge as well to maintain the new asset once it's in service.

As for the local benefits of the businesses. Throughout construction, workers will need housing, they will shop at our local grocery stores, they will fill their tanks at our local gas

stations, they'll buy goods and services from local businesses. So those businesses will see a direct benefit from the project.

Also, on a long-term basis there will be additional tax revenue available to the counties that we operate in. We estimate approximately $19.5 million will be the incremental amount of taxes to the counties as a result of the project. And that money will go to each of the counties that the new project is built through. And it could be used for a number of things, whether it be infrastructure developments or maintenance or reduction in property taxes in those counties.

So, again, I want to thank you for our opportunity to speak today and would like to take a moment to introduce the Enbridge personnel here today that are here to help answer questions and to listen to your comments.

So, go ahead, John.

MR. JOHN GLANZER: Good morning, everyone.

My name is John Glanzer, I'm the director of infrastructure planning for Enbridge, where we take forward-looking views of the Enbridge liquids network and plan projects accordingly.

MR. JOHN MCKAY: Good morning, everyone.

I'm John McKay, I'm the senior manager for land services for U.S. projects, and I provide oversight of the planning, acquisition, construction, and restoration of the projects.

MR. ARSHIA JAVAHERIAN: Good morning.

My name is Arshia Javaherian, I'm senior legal counsel, the in-house attorney responsible for the regulatory and land aspects of Line 3.

MR. PAUL TURNER: Hello.

My name is Paul Turner and I'm the supervisor of the environmental permitting team for the Line 3 Replacement Project.

MR. JOHN PECHIN: Good morning.

My name is John Pechin, I'm the operations manager out of the Bemidji area, and I'm responsible for the operation and maintenance of the line after it goes in service.

MR. MITCH REPKA: Thanks again.

My name, again, is Mitch Repka, manager of engineering and construction for the replacement project.

And I'll turn it over to the Department of Commerce now.

MS. JAMIE MACALISTER: Good morning,

everyone.

I'm Jamie MacAlister with the Department of Commerce, Energy Environmental Review and Analysis unit. I am the permit manager on this project. With me is Larry Hartman. Many of you probably know Larry Hartman or have worked with Larry on other pipeline projects. So feel free to make use of both Larry and myself if you have questions.

So, to start off here, I wanted to go over the handouts that we have on the table, a number of handouts.

One of them is the draft scoping document that will be used for the comparative environmental analysis. Part of what this document does is bring the Sandpiper and Line 3 projects together at the scoping phase because a comparative environmental analysis will be looking at both of those projects together as that review moves forward.

We also have a couple of maps. These maps are also in the scoping document but, in addition, there's a two-sided map that shows you some alternatives.

There's a green speaker card. If you would like to speak, please fill out a speaker card

and hand it to Jorinda at the table back there or you can bring it up to Tracy. Also, if you prefer to not come up and speak and you would like to write your question out, that's fine as well, we can read your question out and answer it.

And in terms of submitting your comments, we have a public comment form which you can either fill out here and leave in the box at the back table or you're welcome to take it home with you and fill it out and send it in at your convenience. We'll take your comments by mail, fax -- how ever you wish to submit them, we will take them.

However, importantly, along with the comment form, we do have some guidance and suggestions for helping you develop your comments on route alternatives and segment alternatives. Because it's very important that as you start submitting any route alternatives or suggestions that we keep in mind, as was stated earlier, that the project has to meet certain end points. We need to come in in Kittson County, the project must hit Clearbrook, and it needs to end up in Superior. However, given those constraints, there's probably a lot of ways to still provide comments on route alternatives or segment alternatives.

So I think those are all the handouts that are critical. Our presentation really is just going to give you a brief overview of the permitting process, give you some information on the scoping, and how the comparative environmental analysis will be written. A little more information on how to submit the comments and some examples. A brief schedule, and then just a couple of courtesy suggestions as we move into the question-and-answer session.

Sorry, I'm not queued up here. There we go.

Okay. So just some brief information here on how routing of pipelines is governed. That's done through Minnesota Statute 216G and Rule 7852. The Line 3 pipeline process will be a full review process, which does include the completion of an environmental document, which for this process is called a comparative environmental review. It will also include public hearings administered by the administrative law judge from the Office of Administrative Hearings.

Oops, wrong way. There we go.

This just gives you a brief overview of how the permitting process works, which is slightly

different than how the CN process works. Basically, you can see that we're at the public information and scoping meetings. There are a lot of things that still happen before a permit is issued. The asterisk areas are the places that the public has opportunities to provide comment and to participate more in the process.

So I do want to talk a little bit about scoping the environmental document. Because these meetings are really meant to provide the public as well as state agencies, local governments, and tribal governments opportunities to participate and get their comments in and to help make suggestions for route or segment alternatives.

And what we're looking for is to identify issues and impacts, and these can be human and environmental, for analysis. This allows people to participate in the development of this process. And then, notably, that the route alternatives that are selected to be carried forward for analysis are determined by the PUC, that is not done by our group. We simply submit the comments forward to the PUC and they make the final determination on which ones get carried forward for analysis.

So you might be wondering what a

comparative environmental analysis is. Well, it is the environmental document for pipelines. It is considered an alternative form of review that has been approved by the Minnesota Environmental Quality Board, and it is designed to meet the Minnesota Environmental Policy Act requirements.

And the objective of the analysis of the project is really to look at impacts and mitigation measures that might result from the construction of this project. Generally, this document, we do not advocate, we are supplying the facts that we have gathered based on our analysis. And our goal is to have informed decision-making for the decision-makers and for the public so that people are really working with the same set of information.

So in suggesting your comment or providing alternatives, things that are really helpful are including a map, and the map can be an aerial photo, a topo map, the county highway map from a map book, whatever you have that you can use to identify your proposed route or route segment. And include a brief description of the existing environment and as much information as you can so that when we get these we are not trying to figure out what you actually meant when you provided these

route alternatives or segments. So as much detail and information as you can provide is really helpful on our end.

As I mentioned, the alternatives to the project really must mitigate specific impacts. These can be aesthetic impacts, they can be land use, natural resource impacts, other impacts that you think of or that are important locally. Those are the types of things that we're interested in hearing from you. And, again, these must meet the need for the project. Like I said, we have to meet some of those touch points for the project when we get those comments.

I just wanted to run through some examples. These are from a transmission line, but some examples of how alternatives have been mentioned and what they've been used to mitigate.

In this particular example, the issue is a historic property and the alternatives that have been suggested are ways to avoid the historic property.

This is an example where the comment, the suggestion was to realign the route to be next to the existing county road as opposed to going further out, to bring it closer in to the county road.

In this example they were trying to avoid a memorial site, trying to provide some alternatives to get around that memorial site and to not have an impact there.

And now these maps, I think, are really important to this project and to the Sandpiper project, if you have been following Sandpiper at all. But this map shows all of the alternatives that are under consideration currently for this project.

Now, these alternatives have been made for the Sandpiper project. All of those alternatives are being carried forward to Line 3. So all of these route and segment alternatives that have already been proposed are coming with Sandpiper and applied to Line 3 as well. So if you have made a comment that you see is reflected on these maps, you don't need to send that comment again, we've already had that.

What I would like to point out on the next map is kind of the detailed map, and what you have here is you have Line 3, and this Line 3 has already incorporated 23 of the route alternatives that have been suggested. So there are 31 other route alternatives and segment alternatives out

there that are being moved forward for analysis. These were already approved by the PUC last year, last August, so these are all moving forward for consideration.

And just a quick overview of the permitting schedule. I know Tracy went through this. I think what the notable things to highlight here are that we anticipate the comparative environmental analysis to be released in March of 2016. That there will be public meetings and contested case hearings likely sometime in April. And potentially a Commission route permit decision in July of 2016. Now, these, again, are our best estimates at this point in time, but I think we'll be relatively close on them.

And, like I said, just a few kind of courtesy suggestions as we move into the question-and-answer session. You know, one speaker at a time. Please state and spell your name for the court reporter, for Janet here. If you don't, she'll be kind enough to remind you, as well as if she can't hear you, she will let you know that as well. If possible, please limit your comments to a few minutes. Maintain respect for others. And, if possible, direct your comments and questions to the

scope of the CEA, to the things that you think are important for us to look at and consider as we move forward with the environmental review process for this project.

And, again, just to note on the comments, you can give us your comments verbally tonight, you can complete and submit the comment form, you can comment online. You can mail, fax, or e-mail the comment to me. And remember that we need to have your comments in by September 30th of 2015.

So, with that, I'd like to go ahead and open it up for questions.

MR. LARRY HARTMAN: Jamie, I've got five cards here and I'll call them in the order that they were received.

MS. JAMIE MACALISTER: Okay.

MR. LARRY HARTMAN: The first speaker card I have is from David Barnett, B-A-R-N-E-T-T.

MR. DAVID BARNETT: Thank you.

My name is David Barnett, D-A-V-I-D, B-A-R-N-E-T-T. And I'm here to speak in favor of the Enbridge Line 3 Replacement Project.

I'm a national representative for the United Association of Plumbers and Pipefitters. And more specifically I represent the pipeline division

for the UA covering the entire U.S.

Our members of the UA Local 798 specialize in constructing and maintaining the oil and natural gas pipelines in Minnesota and all across the U.S. We have the best trained and most efficient and capable welders, pipefitters and helpers to do this replacement project that you will find anywhere in the world.

In fact, in 2008 our reputation for being quality pipeliners brought a coalition of industry professionals from Japan, China, and England to tour our pipeline training center in Tulsa, Oklahoma.

Each day in the U.S. more than 2.5 million miles of pipelines move oil and other energy products safely to where they are needed. That's enough pipe to circle the earth 100 times. In the United States, oil pipeline fields fell from two incidents per 1,000 miles in the 1999/2001 period, to .8 incidents per 1,000 miles in the 2008/2010 period, a decline of 60 percent. With every new pipeline that we install, its incident rate will only get better.

Enbridge has safely transported energy for over 65 years and currently delivers over two million barrels per day of crude oil to help support

North American energy independence. To translate it another way, the amount of oil they provide every day keeps somewhere around $100 million per day out of the hands of some of the United States' worst trade partners.

Enbridge has shown a commitment and willingness to help the United States get part of their oil from a secure source by investing $2.6 billion to install a new 36-inch pipe and new pumping stations for a new Line 3 system here in the U.S. Their current Line 3 system was constructed in the 1960s of what was then considered to be the industry standard for pipelines in that area. Keep in mind, however, that pipelines of that era were constructed of pipe made from softer steel and were installed by open cutting and river crossings with no federal oversight from PHMSA because PHMSA did not yet exist.

The requirements for testing were not yet in place and the inspection process of that day was shoddy, to say the least. I would consider the standards of the 1960s to be almost the infancy for pipeline construction by today's standards.

I began my career in the field 39 years ago and worked 30 of those years working in the

field on projects such as the one we are discussing today. I have personally witnessed many of these changes firsthand. Couple that with the age of the current Line 3 system and it just makes good sense to replace this pipeline.

A new Line 3 pipeline would take advantage of modern technology that citizens and the environment deserve. It would be con -- it would be constructed by the best contractors in the business that employ the best tradesmen in the business. It will be better built by state standards -- thank you -- of hardened steel to make it tougher. The pipe will be coated with a hardened epoxy coating that is the best coating ever designed for pipelines. It will also utilize the latest welding technologies, as well as utilizing the horizontal directional drilling process that places the pipeline far below river beds at the river crossings, which is key to protecting our environment.

It would be a true travesty to have the technology that we enjoy today in modern pipeline construction and not be able to install it in place of the current Line 3 pipeline.

Some might say I'm here to promote

thousands of man-hours for my members by working to secure approval for this project, and they would be correct. But make no mistake, I am also here to secure much needed oil from our best trade partner, Canada, and provide the safest mode of transporting that oil for our citizens.

Have the courage, please, to approve this Line 3 system. Thank you.

MR. LARRY HARTMAN: The next speaker card I have is Phillip Wallace.

MR. PHILLIP WALLACE: My name is Phillip Wallace, spelled W-A-L-L-A-C-E. And I'm here today to thank the Commission for allowing these public comments.

I am a 40-year pipeline welder. This is my 40th year in this business. I'm a UA member of the United Association and I represent the welders, the journeyman, the fitters, that help the welder helpers that work on these projects. And we have a lot of members in this state that do work for Enbridge. We're in -- we take care of Enbridge's integrity programs on this pipeline like the old Line 3.

But, you know what, we need to have this new replacement. These old pipelines, they have

served their purpose. They wasn't built with the technology that's available today, and Enbridge has got the right idea of, you know, out with the old and in with the new. They still have their integrity program, which is second to none, and they are, you know, one of the biggest players in this energy business.

And bringing these new pipelines, we've got several on the books now trying to get permitted. The Sandpiper, I think it's already got the certificate of need, they're trying to settle on the routes.

And this work, our members need this work. You know, the benefits, the local benefits for the local city, county, and state tax revenue that these projects generate. And, you know, I just want to -- as to the Commission, you know, I mean, you know, everybody loves renewables, you know, but this country is not there yet. You know, someday I hope we are there where we can live without, you know, this type of energy. But, you know, we're several years away from that. And, you know, Enbridge is working -- working very hard of trying to, you know, upgrade their systems.

We have people here today that's working

on other pipelines, that we're in the integrity program on other pipelines that PHMSA and DOT has set the regulations that Enbridge, you know, has to abide by. And we're the people, not just the welders, but we've got the operating engineers, the international laborers, the Teamsters, we have training programs that's second to none.

And I just want to, you know, ask the Commission to consider this certificate of need to make this one step closer to replacing this Line 3.

Thank you.

MS. JAMIE MACALISTER: Thank you, Mr. Wallace.

MR. LARRY HARTMAN: The next speaker card would be Mr. Jeff Gurske.

MR. JEFF GURSKE: Good morning. Thank you for the opportunity to speak. I'm Jeff Gurske, G-U-R-S-K-E.

And I also would like to ask that you support this Line 3 replacement. And I'd like to say that when that first pipeline went through in the early '60s, my father-in-law worked on that as a welder. He's been long since gone.

Too, I'd also like to thank Enbridge for maintaining that line as long as it did. Nothing

lasts forever, and it's time to replace that line. For a couple of reasons. One, for the environment. I mean, if something does happen to this old, outdated line, we're going to have a huge mess. Like the gentleman said before me, technology has changed considerably.

And another reason I'd support this or I'd ask you to support this is it does meet 70 percent of the oil needs in the Great Lakes region. And it's coming from our neighboring states. I've had family members fight in Afghanistan, Iraq, there's no need for that, we have oil right here in our backyard, we just need to take care of the resources.

I also do some hunting on pipeline right-of-ways. Once they go through there and clean it up, it's an avenue for all types of things. I've actually sat on a pipeline right-of-way and went fishing. It's nice and quiet and you don't even know anybody's been through there. I've had family members, brothers, that worked pipelines throughout the country in a safe and professional manner.

Again, I'd ask for your support to pass this Line 3 replacement. Thank you.

MR. LARRY HARTMAN: The next speaker card

I have is Michael Laborde.

MR. MICHAEL LABORDE: Good morning. My name is Michael Laborde, L-A-B-O-R-D-E. I'm here today representing the Teamsters. I am the training director for them.

We put together some of the finest drivers that industry has to offer. To date we have trained over 500 people so far this year in this industry.

I bring 27 years of pipeline experience to this. I have over 46,000 man-hours creating pipelines. As a Teamster, I did a lot of purchasing for the contractor. We all talked about the benefits and the good jobs that this brings.

One thing that I don't believe a lot of people understand is a contractor spends about 40 percent of his job costs on building these pipelines. Of that 40 percent of the materials spent, approximately 15 percent of that is spent to local communities. You take one -- or $2.1 billion and take 10 to 15 percent of that and put it in your own local neighborhoods, that's a lot of income and growth there. That's not counting the lodging and the meals and everything else that's concerned.

I live here in Minnesota. I've raised my

family here. I'm watching eight grandchildren grow up. We're avid outdoors people, we love our environment, we understand the fact that we have to update this line so that we have no spills, no disasters that's happened in the past. Technology has improved, things are a lot better, and we're here to support Enbridge.

Thank you.

MS. JAMIE MACALISTER: Thank you.

MR. LARRY HARTMAN: The next speaker card I have is Steve Dilger.

MR. STEVE DILGER: Hello. My name is Steve Dilger, S-T-E-V-E, D-I-L-G-E-R.

My comment is going to be extremely brief. I just want to say that I'm a pipefitter from United Association Local 539 out of Minneapolis, right here in Minnesota. I'm here in support of the Line 3 replacement.

I just want to say I've done this type of work for a very long time. I've spent many nights in towns just like Hallock, as well as spending countless dollars. I've never had a local bartender, a cafe owner or a hotel owner turn away my money. So when our crews roll in here we do tend to spend a lot of money, there's not a lot else to

do, too, so we spend money.

Like I said, I've done this work for a long time. Like Line 3, I was born in the '60s. I'm getting ready to retire. Not 'cause I want to, it's because just like Line 3, I'm just about wore out. So I want to say it's time to put the new technology in the ground, let's let my brothers and sisters that have been trained to do this type of work do what they're trained for and put the most modern pipeline that's in the world, let them install it in Minnesota.

Thank you.

MR. LARRY HARTMAN: And the next and last speaker card I have so far is Joe Moenck, M-O-E-N-C-K.

MR. JOE MOENCK: You got it. Thank you.

My name is Joe Moenck, I'm the lead organizer for the Minnesota Pipe Trades Association and I'm a proud member of the United Association of Plumbers, Pipefitters, Sprinkler Fitters, and HVAC Technicians.

I want to speak in support of the Line 3 project and also talk about how pipelines benefit everyone in Minnesota and not just our trade groups.

Our energy products have several

different ways to make their way to market. We can rail, we can use trucking, shipping, we can also use pipelines. But it's a proven fact that pipelines are the safest, the cleanest and the most effective method to transport our energy products to market.

The current line that we're discussing today was installed in the '60s. And just like the cars we drive and the houses that we live in, sooner or later everything needs to be maintained or replaced. The United Association trains the best skilled craftsmen and women in the pipeline industry and we're ready and capable to build this project efficiently and safely.

I also want to talk a little bit about these jobs. Simply put, they're good paying jobs. I started in the piping industry when I was 19 and it has provided a stable life for me and my family. And I'm very proud to say that I never had to ask anyone for help to provide for my family because having a good job that pays a great wage with health insurance and retirement benefits can do that for you.

I also want to mention that I have worked steadily in the piping industry for the last 21 years. So I want to be clear that pipeline projects

aren't temporary jobs. Every job has a start and a finish, but those series of jobs has kept me busy for 21 years.

Another fact that we need to look at is that construction workers spend money in every town that they work in. We live in hotels, we buy gas, we wash our clothes, we buy groceries, we eat at restaurants. At the end of the day when our crews roll out of town I haven't heard of any local business owner say they're glad to see us leave.

At the end of this comment period we have a choice to make. We have a pipeline that was built in the '60s that needs to be replaced. This country depends on energy and it just makes sense to use the safest, the cleanest, and the most effective method to transport our energy products to market. So I ask that you grant the certificate of need to get Line 3 started.

Thank you.

MS. JAMIE MACALISTER: Okay. All right. Do we have any other questions or comments out there?

Hearing none, we're adjourning. We will be here to answer questions if you have other questions, look at the displays. So feel free to

talk to us afterwards.

(Proceedings concluded.)